



Florida House of Representatives

Office of the Speaker

Tom Feeney
Speaker

April 16, 2001

The Honorable John M. McKay
President of the Senate
Capitol, Room 409
Tallahassee, Florida

Dear ~~Mr. President:~~ *John*

I hope that this letter finds you well and that this legislative session, now entering its final three weeks, has been everything you wished for. These past six weeks have, I think, been even busier and more substantive than either of us could have imagined back on March 6.

The session has reached a point where we can both pause and look at the big picture. When we do, I think we'll find that there is substantial common ground between our respective chambers. I appreciate—and I'm sure the entire House of Representatives shares—your express concerns for education and Medicaid funding. These issues are important to the Senate, and I want you to be assured that they are also very important to the House of Representatives. The House, as I'm sure you know, has committed itself to enabling all Floridians to compete in the 21st Century economy by providing the necessary resources that will enable all of our citizens to acquire the education that is essential for success. This same level of support exists in the House for Medicaid funding.

I am extremely pleased with the House budget, and quite proud of the House's budget process. This year's budget was the product of an unprecedented degree of cooperation between appropriations committees and substantive committees, and the result has been a budget that, even more than usual, reflects the true priorities of the people of Florida.

In many ways, as I have said, the priorities of the House match the priorities reflected in the Senate budget. My concerns with the Senate budget are in two areas that are also priorities for the House: government reform and tax cuts.

With a few minor changes, and no change at all in the basic thrust of the budget document, the Senate plan could be revised to make available \$355 million, which is more than any proposed tax reduction plan; this could be achieved without reducing the Senate budget's total appropriation level for the three core educational systems or Medicaid services. Specifically,

- The Senate budget fails to take \$70 million in savings from better management practices as recommended by various state agencies and the Governor; these re-prioritizations are in the House budget.

April 16, 2001

Page 2

- 1,593 more FTEs could be cut to improve efficiency in delivery of services.
- The Senate budget does not obligate significant amounts of money that are available for appropriation: \$136 million of General Revenue, plus an additional \$49 million in tobacco settlement funds.
- And finally, there is at least \$100 million in member projects that could be re-prioritized to better serve Floridians.

I am convinced that there is a way to make sure that the Senate achieves its budget goals, including funding for children with learning disabilities, while allowing the House to achieve its budget goals. Due to my belief that we can both achieve our legitimate goals, I am prepared to make the following offer: I am willing for the House to match the total Senate allocation in the three core educational systems, K-12, Community Colleges and the State University System, and to match the Senate in its Medicaid allocation (with all specific line items being negotiated by our members). In return, I would ask that the Senate match the House on tax relief; therefore keeping our promises to those we serve.

As I have noted, the House goals on government reform and tax cuts can be accommodated without doing any violence to the Senate's and House's shared budgetary priorities, and your stated goals to fund growth and inflation in education and to meet the needs in Medicaid.

John, I sincerely hope that you and I can get together to discuss the approach I have described, and that we can quickly establish the broad outlines of a budget agreement to present to our respective conferees. With education, health care and tax relief agreed to, the largest issues facing our members would be resolved.

Under Republican leadership, Florida has virtually eliminated the welfare state with its punitive approach to work and savings. It has been a thrill and an honor to participate in that process. In the coming days, you and I can have the honor of further solidifying Florida's commitment to rewarding, rather than punishing, work and savings when we take another step toward the task of eliminating the punitive tax on intangibles. The task of reforming our government according to sound conservative principles will always be with us; I hope you can join the House in making tax relief part of this year's reforms.

I look forward to hearing from you, and I thank you for your consideration.

Sincerely,



Tom Feeney
Speaker